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SIPDIS

PASS TO ELAINE SAMSON AND STACIE ZERDECKI AT EUR/WE, JANICE BELL AT INR TOBY BRADLEY AT NSC

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TAGS: OVIP PINS PREL PTER OFDP SP PGOV

SUBJECT: SPAIN: DEPARTING AMBASSADOR'S INSIGHTS ON ENGAGING

GOS LEADERSHIP

REF: A. 08 MADRID 1359 **1**B. 08 MADRID 518

Classified By: Charge d'Affaires Arnold A. Chacon for reasons 1.4 (b) a nd (d)

- 11. (C) SUMMARY: Ambassador Aguirre conducted a series of farewell calls on key GOS officials in the weeks before departing Post on January 20. Those meetings contributed to the information in this cable, which offers the Ambassador's final thoughts on how the Obama Administration might best engage key personalities within the Zapatero Administration. END SUMMARY.
- 12. (C) COMMENT: The GOS is clearly eager to ramp up its engagement with the Obama Administration and plans to immediately implement a diplomatic full court press to "normalize" bilateral ties, after years of Madrid perceiving itself to be on the outs with Washington. There is currently a wave of goodwill in Spain for President Obama and his administration. Zapatero, who feels a spiritual kinship with President Obama and identifies with him in a personal way, has publicly pledged that "Obama will have in Spain and its government a faithful ally and friend." Meanwhile, Foreign Minister Miguel Angel Moratinos has publicly voiced the GOS's expectation that bilateral relations will enter "a phase of greater harmony" in which ties are "more intimate, more intense, and more fluid." Senior Spanish officials publicly have expressed hope that Zapatero and Obama will have a formal meeting in 2009, preferably at the White House. Spanish officials also have informed the media that Vice President Biden told Zapatero in a November 17 phone conversation that he would visit Spain shortly after taking office to discuss the global financial crisis. Zapatero recently announced his interest in phoning the President soon for an in-depth conversation to discuss conflict areas and Latin America - including Cuba - and on other occasions has signaled his interest in cooperation on global issues such as combating terrorism, poverty and climate change. Managing GOS expectations on the timetable and the extent of bilateral cooperation will be key to maintaining their current enthusiasm for collaborating on projects of mutual interest. END COMMENT.

- ¶3. (S) The Ambassador urges the new Administration to engage with King Juan Carlos I, the Spanish Head of State. Juan Carlos is well-disposed to the U.S. but he will always act in what he perceives to be the best interests of Spain. Where U.S. and Spanish interests coincide, he can be a formidable ally. In meetings, the King will try to charm interlocutors and will bring down the level of formality and protocol to make them feel comfortable, thereby seek to guide the relationship. It is best to stay at the King's level of banter and not be cowed by his aura. If you push back with joviality at any verbal jousting, you will win his respect.
- 14. (S) The King has a respectful relationship with Zapatero and they communicate well. Zapatero consults and informs the King on issues from time to time and the King has no reluctance to offer his thoughts but not his advice on issues. The King is selective when he wants the GOS to do something, discreetly passing the word through Zapatero or his Cabinet. The King does have influence with Zapatero when he wants to use it.
- 15. (S) For example, the Ambassador is convinced that the King was the guiding force over the objections of Foreign Minister Moratinos in the GOS naming Jorge Dezcallar to be the current Ambassador to the United States. The Ambassador believes this in part because the King identified Dezcallar to the Ambassador as the next Spanish envoy to Washington six months before the decision was announced by the GOS. The Ambassador believes that Juan Carlos chose Dezcallar because he believes Dezcallar will do the best job for Spain in that

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position. Of course, it also helps that Juan Carlos likes Dezcallar and that Dezcallar has some personal allegiance to the King.

16. (U) Juan Carlos will visit Florida (Pensacola during February 18-19 and Miami on February 19) as part of celebrations to mark the 450th anniversary of the first Spanish expedition to set foot in what is today the United States. According to Spanish press reports, Spanish diplomatic sources suggest he may meet Obama Administration officials during his visit.

//President Jose Luis Rodriguez Zapatero//

- 17. (S) Zapatero is a wily politician with an uncanny ability like a cat in a jungle to sense opportunity or danger. It is dangerous to underestimate him, as many former rivals have found out too late. In making decisions and formulating policy, he plays to his domestic audience, especially voters outside the Madrid region, which he looks down upon for a kind of "inside the Beltway" insularity that he perceives as detached from the concerns and views of most Spaniards. He is playing to the peanut gallery rather than to the front row. Zapatero, who is heading his second minority government, is constantly fighting for the support of the 1-2 million swing voters and traditional non-voters. In the Ambassador's judgment, there are no issues that Zapatero would fall on his sword over; all options are always on the table in order to achieve his immediate political goals.
- 18. (C) Zapatero has faced a steep learning curve on foreign policy issues, but has developed a broad strategic vision that recognizes the inter-relationships and cause and effect consequences of his government's actions. Nowadays he is well informed on any topic. Zapatero has the capacity to learn, absorb, and connect the dots. He is bright and continually gets the better of detractors who underestimate him.
- 19. (S) Zapatero is not a "conviction" politician but undoubtedly understands the Spanish people and will support whatever policy appeals to them, regardless of U.S. interests. However, Zapatero also has shown that if there is

an issue of particular importance to the USG, he can be amenable to working with us despite internal opposition. For example, at one point the Ambassador informed Zapatero that U.S. CEO's might decide to stop bidding in Spain due to a growing perception that the GOS was not welcoming US bidders on procurement contracts. Zapatero had told the Ambassador to let him know if there was something important to the USG and he would take care of it. Later - when the USG had agreed to advocate on behalf of GE in a bid against Rolls Royce for a Spanish MOD contract to provide helicopter motors - GE informed the Ambassador that failure to win the contract would cause that branch of GE to cease operations in Spain, which the Ambassador duly informed Zapatero's economic adviser. Although there was considerable all-source evidence to suggest that the MOD decided to award the contract to Rolls Royce, Moncloa - the office of the President overturned the decision and it was announced that GE had won the bid. The Ambassador is convinced that Zapatero personally intervened in the case in favor of GE.

- 110. (C) Zapatero is not innately ill-disposed to the USG. For him, foreign policy is subordinate to domestic political interests and the U.S. relationship is just one more element to be viewed according to the circumstances of the moment. There is currently a wave of goodwill for President Obama in Spain, which is the answer to Zapatero's prayers in that it enables him to engage the USG without being dinged by the traditional anti-U.S. sentiment among his political base.
- 111. (S) The best way to interact with Zapatero in meetings is to be pleasant and relaxed and be ready for some initial banter. The Ambassador advises to ask him open-ended questions and allow him to talk about what's on his mind.

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Zapatero will be well prepared on substance. Zapatero welcomes dialogue and an exchange of ideas. He does not respond well to being lectured and will end the conversation if he perceives that is what is occurring. Similarly, do not corner him politically or ambush him publicly. Give him room and he will listen to your ideas. If there are political differences, they would be best discussed behind closed doors. It is best to have open lines of communications with Zapatero's team, which has access to him at all times. The USG needs to maintain and further cultivate access to the people who have access to Zapatero, the most well-connected of which are listed below.

//GOS Officials with Access to Zapatero//

- I) Maria Teresa Fernandez de la Vega, the First Vice President and Minister of the Presidency
- $\underline{\P}$ 12. (S) Fernandez de la Vega is a key player with access to Zapatero. She is his able lieutenant and the executor of his policies. Fernandez de la Vega has an icy personality and brings a sterile, surgical approach to her work. There are rumors that Fernandez de la Vega may be removed during an impending Cabinet shuffle by Zapatero. The Ambassador believes that Zapatero has no personal allegiance to her beyond being a strong member of his team. She delivers and is effective at what she does, but the moment she ceases to be useful to him, he will let her go at the first politically convenient moment. The Ambassador does not believe she aspires to higher office and suggests she knows this post will be the peak of her career. She is not especially a friend of the USG, but is a pragmatist and interacts with the USG as needed. U.S. interlocutors would be well advised to use a firm backbone when dealing with Fernandez de la Vega, which the Ambassador suggests will help develop mutual respect.
- II) Bernardino Leon, Secretary General of the Office of the President
- 113. (S) Leon is a smart and impressive interlocutor who is

well-connected to and has the ear of Zapatero (As highlighted in REFTEL A). He is the golden boy of the GOS and his influence is on the rise. The Ambassador opines that Leon's career will take him far beyond where he is now and envisions that he could easily become Foreign Minister one day. At present, Leon is more important to Zapatero than Foreign Minister Moratinos or any other single cabinet minister because the breadth of his duties transcends any individual ministry and has virtually no parameters. Although his expertise is in foreign policy, Leon is currently Zapatero's go-to guy on both international and domestic issues (for example, he is even involved in budget negotiations between Spain's central government and the regional governments). Leon commands an impressive capability to digest incredible quantities of information on a range of topics, connect the dots and present them in a insightful, cogent and persuasive fashion. The Ambassador likened Leon's talent to a human version of Google. Leon also has an aptitude for creative problem-solving, such as his efforts in 2005 - as Deputy Foreign Minister - to ensure that a scheduled speech by Venezuela's Hugo Chavez in Salamanca, Spain did not upstage a cross-town meeting of the Summit of the Americas. Leon has been displeased with recent press reports touting his growing influence with Zapatero at the expense of Fernandez de la Vega or Moratinos. The Ambassador suggests Leon's ego is fed by what he accomplishes rather than by what people tell him or write about him. Leon has a passion for his work and interlocutors will find him very well informed on Latin America, Africa, the Middle East, and Russia.

114. (C) The Ambassador cites Zapatero's recruitment of Leon to the Office of the Presidency as the result of a rare instance in which foreign policy unfavorably impacted Zapatero domestically. Zapatero decided to shuffle his foreign policy advisers when the blowback from unflattering

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media coverage of Zapatero at the NATO Summit in Bucharest impacted his standing at home. (See REFTEL B).

- III) Milagros Hernando, President of the International Department of the Office of the President
- 115. (C) Known as Mila, career diplomat Hernando acts as chief of staff to Leon, to whom she owes her job. Her geographic expertise is Europe Leon's weakest area which makes them a Yin & Yang team that complement each other. Their relationship is based on mutual trust. There is no daylight between them on policy issues. Hernando's role is for Leon's aggrandizement; she will protect him and will not take credit behind his back. With Leon as busy as he is, Hernando is more accessible to USG interlocutors.
- IV) Gen. Felix Sanz, High Representative for the Spanish Presidency of the EU on Defense Issues
- 116. (C) On defense issues, Sanz, the Chief of the Defense Staff (CHOD) during 2004-08, might prove an alternate channel to Zapatero. Sanz has very positive views of the United States, despite knowing that in 2008 the USG did not vote for him to be the next Chairman of the Military Committee at NATO. He is not bitter about the incident, but knows he owes the USG no favors for it.

//Zapatero's Inner Circle//

117. (S) Zapatero keeps his own counsel and rarely asks for his subordinates' input on key issues. As his confidence has grown while he has been in office, he is doing so less frequently and will do so only with a select inner circle of three additional advisers besides Leon. The Ambassador suggests that Zapatero's thinking is that he does not need the advice of others and/or they are not useful to his decision-making process, so he does not reach out for their views.

- I) Jose "Pepe" Blanco, Vice Secretary General in Zapatero,s Spanish Socialist Workers Party (PSOE)
- 118. (S) Zapatero consults Blanco, the #2 official in the PSOE, on political issues. The Ambassador describes Blanco as a very important element in the equation for maintaining strong bilateral relations. Contact with him must be maintained to continue providing messages to Zapatero. However, Blanco leaves a bad taste in the mouth of some past U.S. interlocutors, whom he strikes as particularly untrustworthy. Blanco has an unfailing idiosyncrasy of never looking interlocutors in the eye when he shakes hands. Furthermore, he has a reputation for being especially ruthless on political issues, which he appears to relish.
- ¶19. (U) Blanco and Jesus Caldera, the PSOE's Secretary for Ideas and Projects, will travel to Washington, DC in mid-February to attend a conference on the "historical change" in the United States that the new President represents.
- II) Alfredo Perez Rubalcaba, Minister of Interior
- 120. (S) Zapatero also consults Rubalcaba, who tops the Ambassador's list of the most impressive GOS officials. The Ambassador suggested that Rubalcaba sees himself as the smartest person in Cabinet but conveys no hubris. Rubalcaba is smart enough to know that he needs the USG on counter-terrorism (CT) issues and therefore he has been cooperative with U.S. interlocutors on that topic. Rubalcaba excels out putting out fires, but also fully understands the extent of the lack of inter-agency cooperation in his Ministry between the Spanish National Police and the Civil Guard. The Ambassador suggests Zapatero is consulting with Rubalcaba for ideas on who should succeed intelligence director Alberto Saiz, whose five-year mandate expires in April, but the Ambassador also places the odds at better than even that Zapatero renews Saiz's mandate since it is the path

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of least resistance.

- 121. (S) Rubalcaba is feeling the weight of power and is looking for an opportunity to leave his Ministry and possibly the GOS, suggests the Ambassador. Rubalcaba - whose wife reportedly wants $\mathop{\text{\rm him}}\nolimits$ to step $\mathop{\text{\rm down}}\nolimits$ - takes the deaths of Spaniards to heart, whether at the hands of ETA terrorists, traffic deaths on the highways or criminal violence. It is starting to wear on him, and he has suggested he is no longer at his peak performance. He told the Ambassador he intended to step down in early 2008 at the end of the first Zapatero government, but he miscalculated and informed Zapatero too late in the latter's planning process. Rubalcaba is extremely loyal to Zapatero, who understands that he needs Rubalcaba and will make it difficult for him to step down. The Ambassador recommends that Rubalcaba - who is very accessible to the Embassy despite his busy schedule - remains a contact that the USG cultivates, whether he remains in his current post or not. He will continue to be an important player in Spanish politics in either case.
- III) Jose Antonio Alonso, PSOE Spokesman in the Congress of Deputies $\,$
- 122. (C) According to the Ambassador, Zapatero also consults Alonso, a judge and childhood friend whom Zapatero recruited to be his Minister of Interior (2004-6) and later his Minister of Defense (2006-08) in his first government, before asking him to assume his current post. The two are close and Alonso is keenly loyal to Zapatero.

//Three Other Key GOS Personalities in the Bilateral Relationship//

123. (S) Foreign Minister Moratinos is not the most impressive member of cabinet, but he is an honest broker who should be taken seriously. He is well meaning albeit egotistical,

according to the Ambassador. The Foreign Minister belongs to a second, outer ring of Zapatero advisers. His allegiance is to Spain - rather than to Zapatero or even to his own career advancement - and he is idealistically motivated to "do the right thing." The Ambassador discounts speculation, which has existed since before the Ambassador arrived, that Zapatero will shuffle Moratinos out of his current post any time soon. The Ambassador believes that Moratinos suits the bill well enough for Zapatero's purposes. The Ambassador knows of no ill-will or jealousy on the part of Moratinos for Leon's growing influence with Zapatero.

- 124. (S) In meetings, Moratinos often tries to overpower or bully his interlocutors in an attempt to establish a superior negotiating position. It is fairly well known in Madrid among the Ambassadorial corps that Moratinos is given to screaming at foreign Ambassadors and chastising them at the first opportunity to put them in their place. It is a tactic that has caused many Ambassadors to leave with their tail between their legs. The Ambassador recommends that his successor and other senior-level USG interlocutors stand their ground against Moratinos and force him to deal with them on an even level. Once this happens, the relationship will likely prove far more harmonious. Meanwhile, Moratinos had a very healthy professional admiration for former Secretary of State Rice, whose attention he craved and whose approval he sought.
- 125. (S) Carme Chacon is smart and has gained enough respect to be effective as Defense Minister. She has also been a real asset to Zapatero in the way she has handled the portfolio in the public eye. However, she is immature in a political sense, according to the Ambassador. She is too focused on the little things such as the lack of parity in the bilateral defense relationship or by implying that she needs to be treated with more deference and is not focused on larger issues like weapons systems. She does not have a huge ego, but she is wearing the Spanish ego. The Ambassador says the USG will not be able to change her, so it will need

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to adapt and work with her. She is still developing her political senses and will be an important player in Spanish politics for years to come. The Ambassador predicted that she will grow in her job and recommends future U.S. interlocutors treat her with an eye to the future. The Ambassador also remarked that Chacon is finding that all of the media attention she has received since she became Defense Minister can be a double-edged sword. Early favorable coverage (when she inspected the troops while pregnant) has lately given way to more negative, if irrelevant reports (as when she wore a controversial smoking jacket to a military parade).

126. (C) Finally, the Ambassador identified his Spanish counterpart in Washington, Ambassador Jorge Dezcallar (also discussed in Paragraph 5 above) as an important contact for the new Administration to cultivate in the bilateral relationship, predicting that Dezcallar will be a linchpin in the bilateral relationship in the year ahead. The Ambassador also suggests that Dezcallar would likely respond well to increased social interaction with USG officials. CHACON